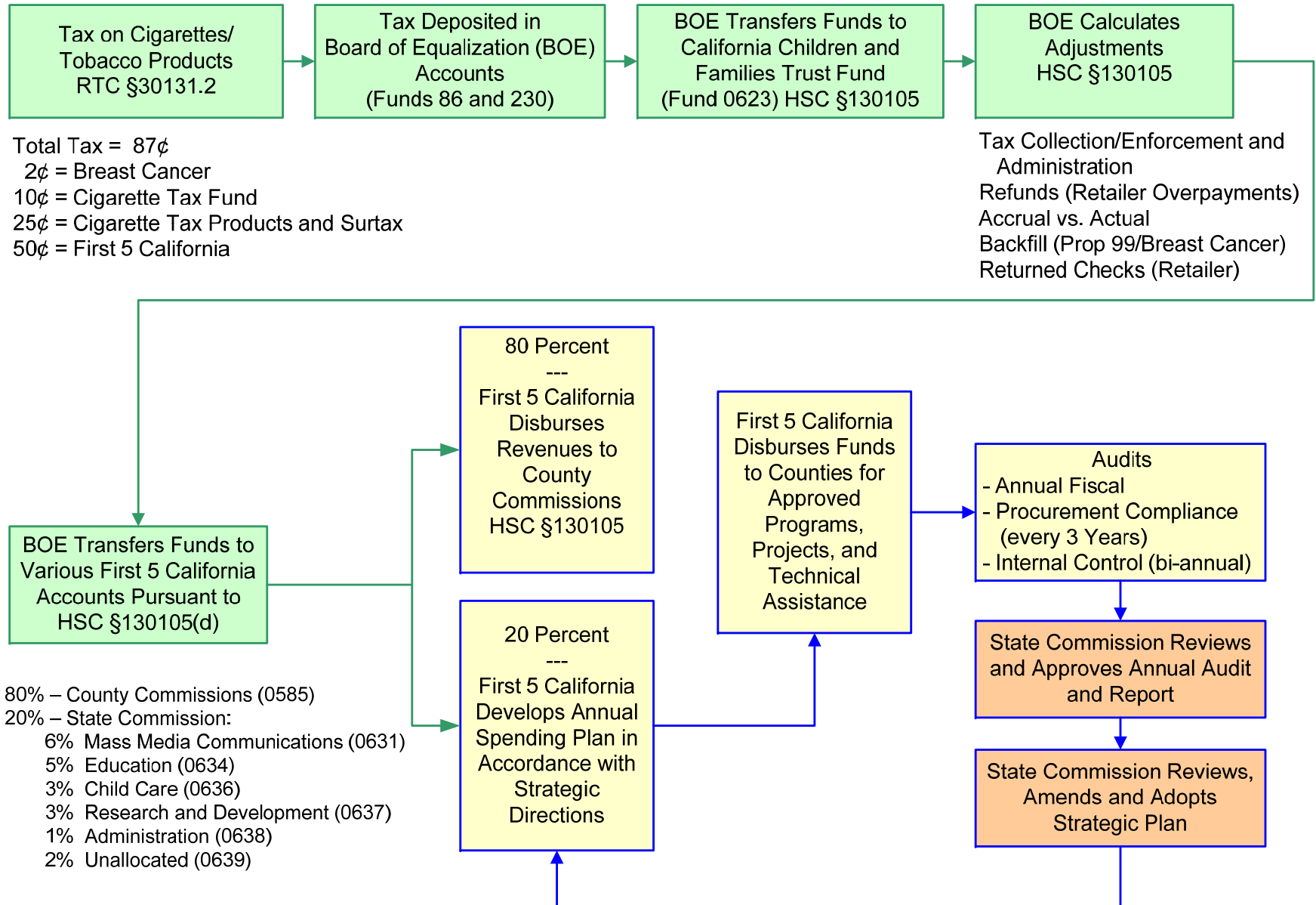


Funding Structure



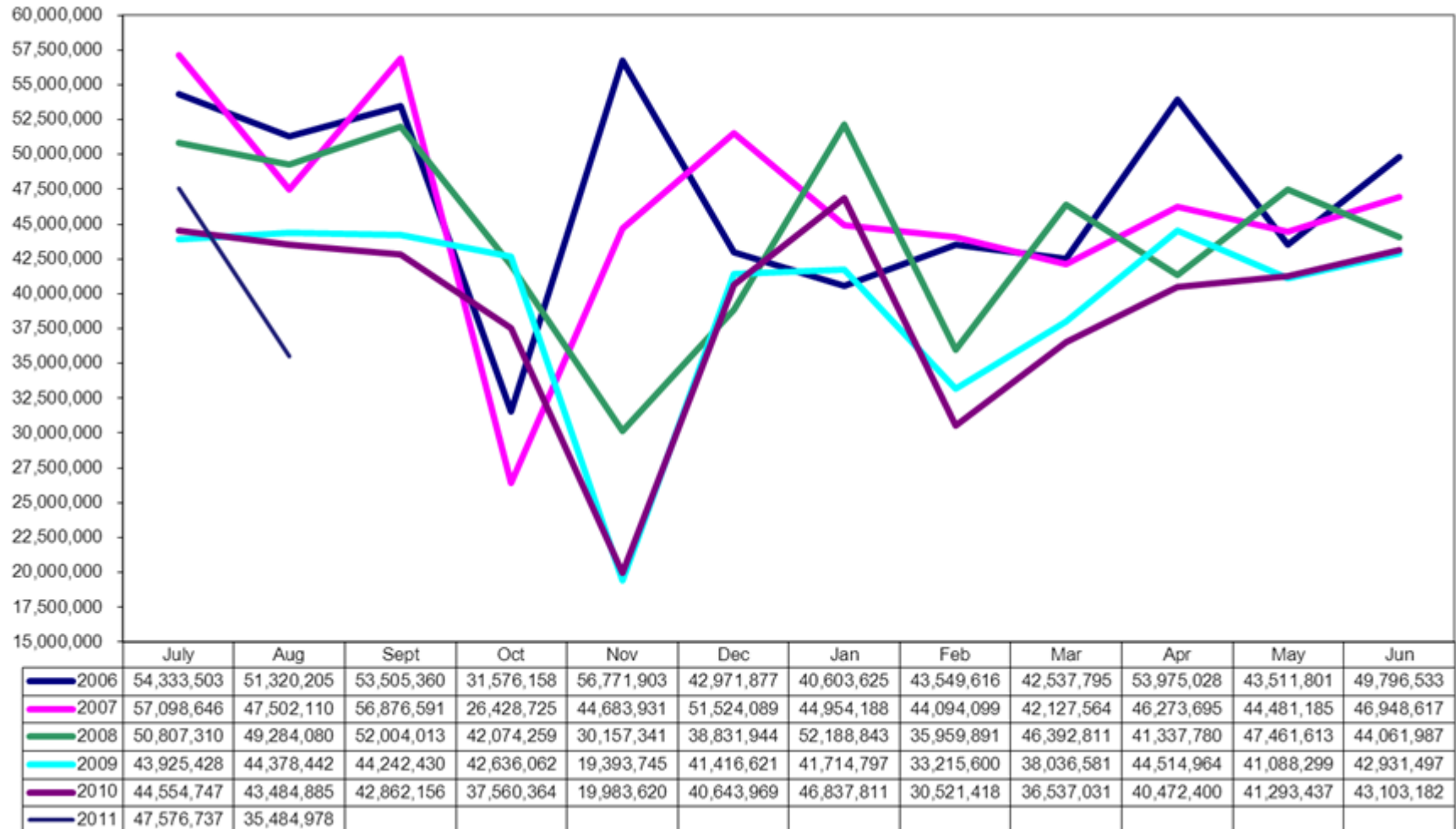
Board of Equalization (BOE) adjustments to total Proposition 10 tax revenues collected are deducted before any disbursement to First 5 California accounts. The two primary deductions include BOE tax collection, enforcement and administrative costs and Proposition 99 backfill amounts. A summary of these costs over the past decade is listed below:

BOE Administration

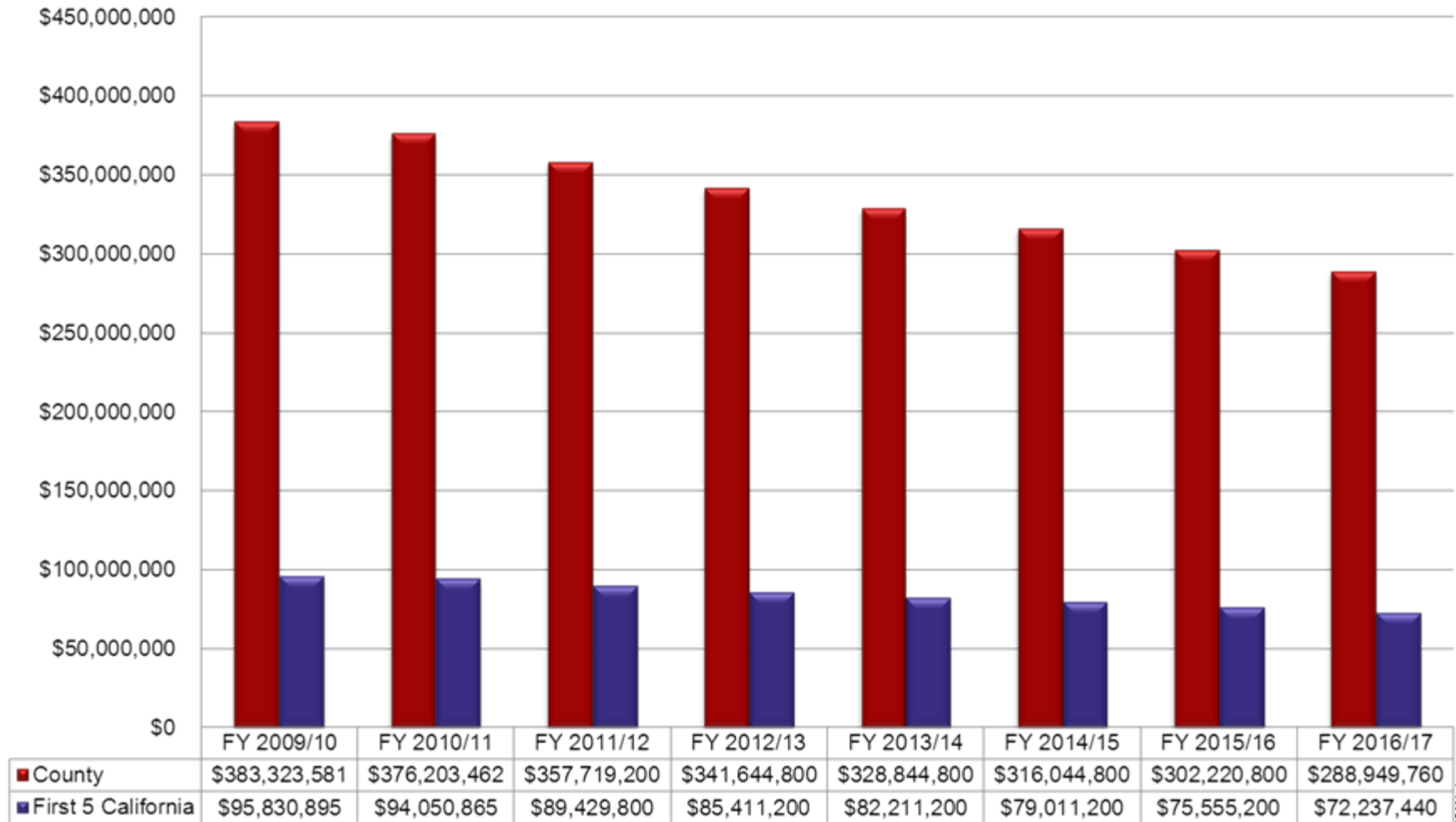
FY 98-99	\$570,000
FY 99-00	\$876,000
FY 00-01	\$886,000
FY 01-02	\$959,416
FY 02-03	\$1,974,530
FY 03-04	\$2,301,371
FY 04-05	\$4,642,000
FY 05-06	\$4,958,000
FY 06-07	\$7,388,000
FY 07-08	\$11,162,000
FY 08-09	\$11,721,382
FY 09-10	\$12,693,653
FY 10-11	\$14,229,862

Backfill

FY 00-01	\$24,000,000
FY 01-02	\$25,900,000
FY 02-03	\$35,500,000
FY 03-04	\$21,700,000
FY 04-05	\$21,300,000
FY 05-06	\$20,300,000
FY 06-07	\$18,500,000
FY 07-08	\$19,600,000
FY 08-09	\$21,200,000
FY 09-10	\$21,800,000
FY 10-11	\$20,200,000



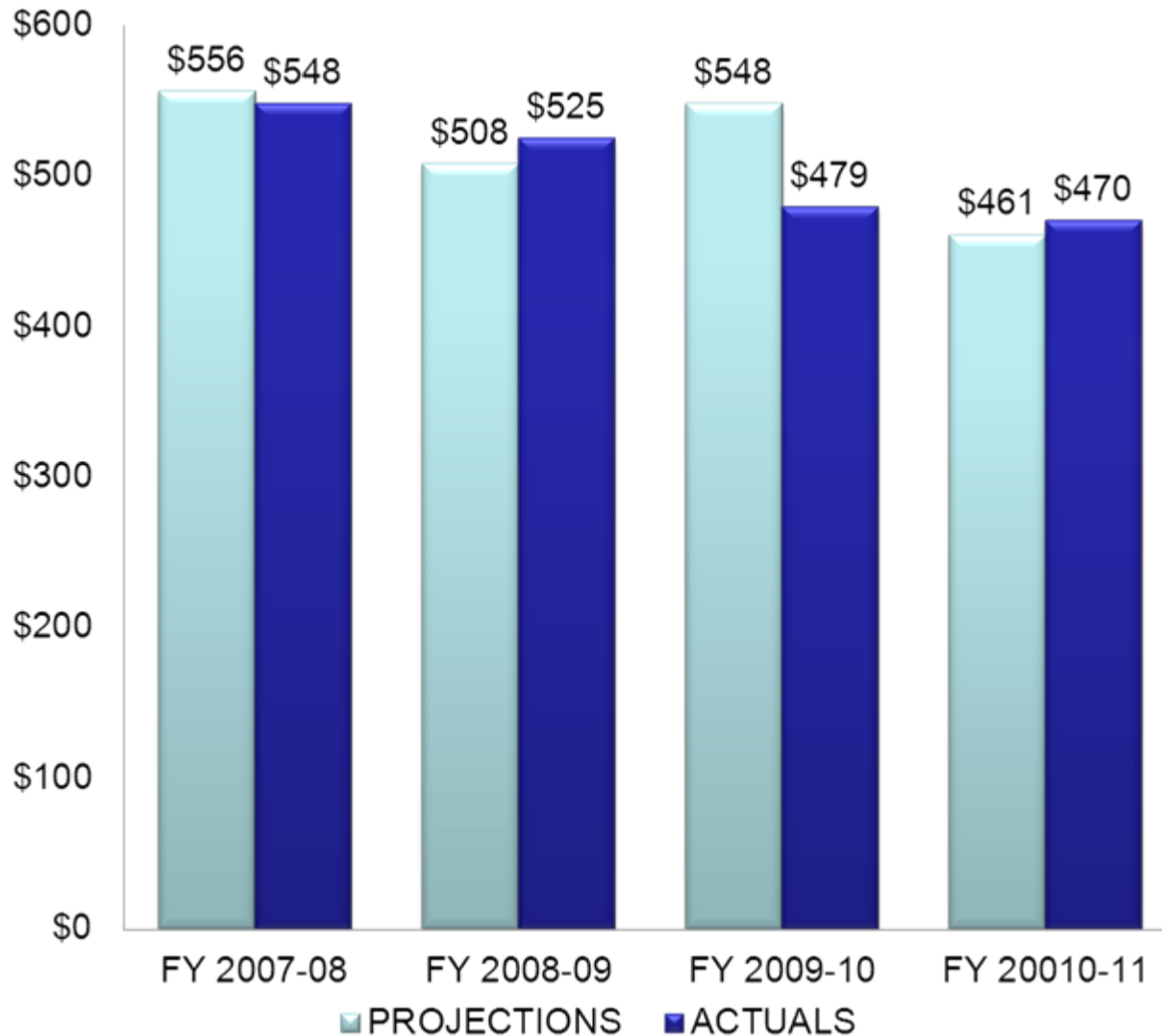
Actual and Projected Revenue by Fiscal Year



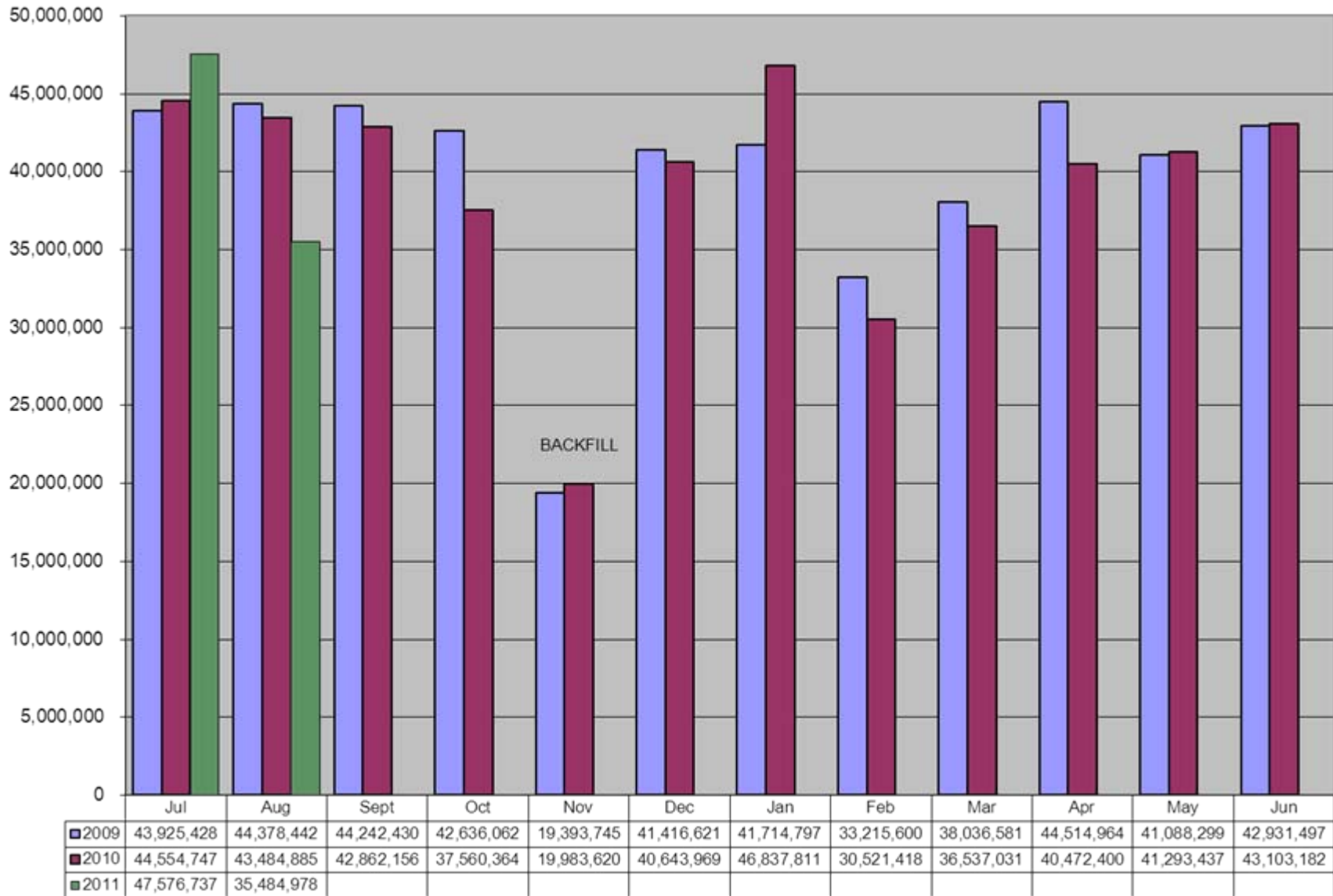


Comparison of Prop. 10 Revenue Projections and Actual Revenue Received

Model projections based on funds available for transfer, including reductions for backfill and BOE Administration



Revenue Comparison by Month



Fiscal Year 2011-12 Projected First 5 California Revenues by Account

- Includes the Department of Finance projected tax revenue disbursements to First 5 California (20 percent)
- First 5 California disbursements distributed according to statute

Account Type	Statutory Distribution	% to Total Conversion	Projected Revenue (Excluding Interest)
Media	6%	30%	\$ 26,828,940
Education	5%	25%	\$ 22,357,450
Child Care	3%	15%	\$ 13,414,470
Research	3%	15%	\$ 13,414,470
Unallocated	2%	10%	\$ 8,942,980
Administration	1%	5%	\$ 4,471,490
	<u>20%</u>	<u>100%</u>	<u>\$ 89,429,800</u>